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March 19, 1976

HONORABLE BOARD OF SUPERVISORS
County of Los Angeles
383 Hall of Administration

Gentlemen:

SUNSET COAST LINE PROPOSAL -- SUMMARY ANALYSIS

Street railways Los Angeles co

On March 2, 1976, your Board instructed this office in cooperation with the Road Department and other appropriate County departments to provide a summary analysis of the Sunset Coast Line proposal taking into consideration the most current information available, and with specific emphasis given to impact on County operations.

A series of evaluations of the Sunset Coast Line (SCL) proposal have been completed by private consultants for the Southern California Rapid Transit District and by other public agencies. We have developed an analysis based upon these evaluation reports and updated them, as far as possible, to reflect the current modifications to the SCL proposal as presented by Supervisor Ward on March 16, 1976.

The initial Sunset Coast Line proposal envisioned the construction of a 281-mile fixed rail mass transit system virtually blanketing all areas of the County. Financing of this system was proposed through the issuance of $7.5 billion in bonds by the SCRTD backed by an additional 1 percent (1%) sales tax within Los Angeles County. A new Los Angeles County Transit Development Department would be created by the Board of Supervisors to serve as project manager for construction of this system. The SCRTD would provide for operation and maintenance of this system as construction was completed.

On March 16, 1976, Supervisor Ward presented modifications to the initial SCL proposal based upon recommendations made by the SCRTD consultants.

The modifications provide for either (1) a 244-mile fixed guideway system built over a 24-year period with a construction cost of $5.7 billion (1976 dollars) and an outstanding debt of $6.7 billion at the end of the construction period, or (2) the construction of the same system with pay-as-you-go financing for a 29-year period and no outstanding debt at the end of the construction period, or (3) a limited borrowing program combining pay-as-you-go with bond financing and a $4.0 billion outstanding debt at the end of a 23-year period. Each proposal would be supported by a County-wide 1 percent sales tax, and could provide for construction of a Wilshire subway, if desired, by the SCRTD Board.

The SCRTD Board of Directors has asked its consultants to further evaluate the modified proposal presented by Supervisor Ward and instructed its legal counsel to prepare the necessary ordinances for ballot consideration. At a special meeting set for March 24, 1976, the SCRTD Board will decide to approve or disapprove an ordinance embodying the SCL proposal as modified, and request the Board of Supervisors to place the ordinance on the June 8 ballot. A two-thirds majority of the SCRTD Board is required for approval.

The Board of Supervisors' action to place the SCL proposal on the ballot is purely administrative, and does not imply endorsement of the proposal. The Board of Supervisors does have an extremely important policy role to play, however, in regard to the SCL proposal. As indicated in the findings described below, the SCL proposal presents the Board with a major transportation policy decision. Essentially that decision is whether or not to support the financing and construction of a new major fixed rail transportation network in the County.

If the ballot issue is presented and approved by the voters, the Board will also have to decide the extent of County participation in the development of this system. The intent of the SCL is to have the County of Los Angeles act as project administrator for construction of this system.

Our conclusions based upon a review of the various evaluation studies of the SCL proposal completed to date are summarized below. We concur in the following findings which are based upon the modified 244-mile fixed guideway system. They do not reflect a full evaluation of the March 16, 1976 pay-as-you-go proposals, as a consultant analysis of these is still underway.

Financing and Construction

-- Program funding of a 244-mile fixed guideway system built over a 24-year period with net borrowings of $6.7 billion ($5.7 billion 1976 cost) is feasible. It can be expected, however, that the net borrowing of $6.7 billion will significantly impact the bond market for municipal issues. Borrowing for the SCL would compete in the market with borrowing for any other local agency or special district projects.

-- Operational costs of the SCL system are included in the total financing for this system. Consideration has not been given to the cost or sources of funding for the supporting bus system.

-- The sales tax differential between Counties may affect habits of consumers in border communities for convenience items and all County communities for major purchases.

-- Additional costs will have to be borne by local agencies to acquire right of way for park-and-ride lots and needed street improvements to provide access to stations and to accommodate congestion resulting from freeway construction.

-- Local funding will relieve the region of dependence upon many State and Federal constraints, but will increase the area's donor status.

Operations

-- A fleet of 800 to 1,000 transit cars would be required to operate the system. The estimated system-wide average speed would be 51 miles per hour. An extensive bus feeder service probably as large as the current SCRTD fleet would be required to support the transit network.

-- There is a lack of actual patronage data and more reliable and detailed forecasts should be developed. (Patronage analysis should include the total system--SCL and bus.)

Environmental

-- Overall energy needs will remain basically constant although reduction in gas consumption may be achieved. Electrical energy demand for the system is estimated as 2 percent of the region's projectd demand and may require additional power generating facilities although existing capabilities appear adequate.

-- Air quality would be slightly improved by 5 percent reduction in daily auto emissions.

-- No additional noise impact in freeway corridors; some increased impact on flood control and railroad rights of way.

-- Growth may occur around stations, but development would be spread over entire system with no significant effects on major existing centers.

-- Will have limited effect on urban sprawl since area is already developed.

Socio-Economic

-- Project can be accommodated within the capacity of the construction labor market.

-- Project will create 25,000 to 35,000 new jobs.

-- Project will provide alternative to the automobile and increase transit dependent mobility.

Major impact on County operations as a result of implementation of the Sunset Coast Line proposal can be anticipated in the following areas:

-- The SCL proposal provides that Los Angeles County act as project manager for construction of the system through the creation of a new Transit Development Department. This department would be organized as an additional major engineering department employing several hundred professional, technical and support positions. Existing technical personnel through the County departments could provide the nucleus for the new Transit Development Department.

Funding for the Transit Development Department is included within the SCL financial program. The Department through a contractual agreement with the SCRTD would have to assume policy direction from the SCRTD Board of Directors, as well as the Board of Supervisors. It should be noted that although it is Supervisor Ward's intent that the County function as project manager for the SCL system, the final decision must rest with the SCRTD Board of Directors. They could contract with another public agency other than the County of Los Angeles.

-- It can be expected that there will be an increased level of County coordination and involvement in municipal and community affairs as a result of its project manager role and the affect of SCL on the community.

-- It should be noted that the SCL proposal does not provide funding for a supporting bus system. It is estimated that in 1984 when the first segment of SCL is completed, a subsidy requirement of $150 million above currently existing State and Federal subsidy program funding levels will be required should a 25¢ flat fare structure be maintained. It is apparent that another source of funding must be identified for bus operations if the current level of bus service is to be maintained; however, this bus subsidy problem will exist whether or not the SCL system is developed.

-- Even with a limited borrowing program combined with pay-as-you-go financing such as Supervisor Ward presented on March 16, 1976, the total accumulated bonded debt at the end of the 23-year construction period would be $4.0 billion. This is only slightly less than the combined total of all Los Angeles County, all Los Angeles County cities, special district and school district bonded indebtedness as of the present time. We must thus consider that an excess of borrowing demand by SCRTD could have an adverse impact on the borrowing prospects of other public agencies within Los Angeles County. It may be preferable to combine a very limited borrowing program along with pay-as-you-go financing in order to stretch out the tax burden over a longer period of time, while at the same time not adversely affecting the borrowing ability public agencies within the County.

The above findings have been reviewed with Treasurer-Tax Collector, Auditor-Controller, Director of Department of Facilities, Chief Engineer Flood Control District, Director of Regional Planning, and County Counsel. Their written comments, where appropriate, have been attached along with a more detailed summary and analysis of the Sunset Coast Line proposal.

Very truly yours,

Harry L. Hufford

HARRY L. HUFFORD
Chief Administrative Officer

I. L. Morhar

I. L. MORHAR
Road Commissioner

HLH:ILM
HJJ:amr
Attachment
cc: Each Supervisor
County Counsel

SUNSET COAST LINE SUMMARY ANALYSIS

This report is a summary of key findings, comments and conclusions resulting from various evaluations of the original Sunset Coast Line proposal. Also, included as indicated, are summaries and comments on the most recent proposed SCL modifications. The report includes:

-- Findings regarding technological and engineering feasibility, capital and operating costs, and bus feeder systems produced by De Leuw, Cather and Company.

-- Findings regarding environmental considerations and economic and social impacts produced by Gruen Associates.

-- Findings regarding construction aspects, hardware availability, energy and shops and yards produced by Mobility Systems and Equipment Company.

-- Findings regarding the financial program produced by Stanford Research Institute.

In addition, contributions to this document were made by the SCRTD staff on financing and operations of the present bus system. Also included in this document are comments from the City of Los Angeles, State Legislative Analyst, A. Alan Post, and the following County departments: Treasurer-Tax Collector, Auditor-Controller, Flood Control District, Department of Facilities, County Counsel, Road and Regional Planning.

SUNSET COAST LINE SUMMARY ANALYSIS

Capital Costs

The financial program outlined in the initial SCL Proposal for capital costs is excerpted from Stanford Research Institute's (SRI) report as follows:

SUNSET COAST LINE PROPOSAL - FINANCIAL PROGRAM

Patronage:	1 million passengers per day.
Fares:	25¢ local and interurban, $2.00 airporter, in 1976 dollars.
Fare Escalation:	None.
Operating Cost Escalation:	Not explicit.
Construction Cost Escalation:	Intended 10%; implicit rate below 8.5%.
Sales Tax Rate:	1%, with half reserved by 1987 for operations.
Sales Tax Revenue Escalation:	6.4%
Borrowing Terms:	8%, varying maturities.
Borrowing Amount:	$7.5 billion, 15 years.

Analysis

The conclusions reached by SRI were, in summary:

-- That the proposed system could not be financed in less than 35 years given a 1% sales tax and the constraints imposed by bond market capacity. The construction cost would be $6.7 billion in 1976 dollars, and require an outstanding debt of $16 billion by the end of the construction period in 2011.

-- That a 244-mile system could be financed in a 24-year period at a cost of $5.7 billion in 1976 dollars. This modified SCL system would require an outstanding debt of $6.7 billion by the end of construction in 1994.

The assumptions upon which these conclusions are based include the following:

-- A construction cost inflator of 8.5% based on date from CALtrans and Engineering News Record.

-- A 6.4% expected growth in taxable transactions as used in the SCL proposal and confirmed by SRI's analysis of historical data for Los Angeles County.

-- Patronage of 1 million passengers per day for the completed system.

-- Fare structure increases based on Los Angeles' Cost-of-Living Index indicating a 30¢ fare when the system would begin initial operation in 1984. A 50¢ fare structure was used with the 244-mile modified system.

-- The use of all revenues not required to finance operating costs, or service debt, to support capital construction.

-- Bond market constraints as indicated in a formula based on "The maximum cumulative amount of funds likely to be available to any single issuer is assumed to be one-half percent of total outstanding in the municipal bond market (nationwide); in any one year, no more than one percent of the amount of total new issues expected may be placed by a single issuer."

-- Sales tax revenues available to finance debt service of at least 1¼ times coverage.

The County's Auditor-Controller and Treasurer-Tax Collector generally concur in the SRI evaluation. The Treasurer-Tax Collector has pointed out that even with the 244-mile modified system, the $6.7 billion in net borrowing will significantly impact the bond market for municipal issues. Borrowing for the SCL would compete in the market with borrowing for any other local agency or special district projects.

A. Alan Post's report of March 11, 1975 analyzes many of the same weaknesses contained in the SRI evaluation, indicating skepticism that the SCL can be adequately financed with a $7.5 billion borrowing. He does not, however, address the possibilities for financing any alternatives to the original 281-mile SCL proposal.

Some of Post's recommendations, however, would also apply to the modified 244-mile system. He recommends 1) that a first lien be placed on sales tax revenues to insure funding of debt obligations from the proposed bond issue; 2) that an indemnification clause, to protect the Southern California Rapid Transit District from fiscal effects resulting from County management of the construction phase, be included in the State legislation authorizing the ballot issue.

Post also recommends that a ½% sales tax matched with an estimated 53 cent per $100 assessed valuation property tax be utilized to support the bond proposal, rather than a 1% sales tax.

It appears that one of Post's concerns in this recommendation is tied to his belief that the sales tax is the best source of additional State financing, particularly as a funding source to equalize school district financing under the Serrano decision.

Under the revised 244-mile system presented by Supervisor Ward on March 16, 1976, there are three basic approaches to financing--full bonding for 24 years; a combination of modest bonding with pay-as-you-go; and full pay-as-you-go.

A. Under full bond usage, a combination of bond revenue and sales tax income is used. Bonding begins in 1977 and continues in varying rates until the completion of the project in 1998, with $5.9 billion owed upon completion. Sales tax revenue would also be used for construction and operation. This system would be 232 miles in length, with Wilshire as a subway and requires 22 years to complete.

B. Under limited bonding, the purpose is to reduce dramatically the final indebtedness remaining of $4.03 billion to be paid off at the end of construction, by using pay-as-you-go with only limited bonding required. This alternative assumes that the bonds would be issued beginning in 1983, instead of 1977, so a longer use of sales tax is required.

This delayed bonding method would complete the 244-mile system in 23 years.

C. The pay-as-you-go alternative requires no bonds for the construction of the system, and uses only direct sales tax monies.

In 30 years, including the Wilshire route as a subway, 232 miles of the system can be built. If Wilshire is elevated, and not subway, this alternative would require 29 years to complete 244 miles.

Treasurer-Tax Collector/Auditor-Controller Comments

Under Proposal A (above), the total bonded indebtedness of $5.9 million is 136% of our combined total of all bonded indebtedness for L.A. County, Special Districts--including Water District and Flood Control, all cities in L.A. County, all school districts in the County, and all revenue indebtedness in the County. For Proposal B (above), the $4.03 billion approaches this combined total, and either proposal has the possibility of saturating the market. They feel that a more modest bonding combined with pay-as-you-go alternative is preferable.

Operations and Maintenance Costs - SCL Summary

The SCL proposal does not clearly define operating cost estimates beyond stating an allowance of $1 million a mile for the 230-mile main line system, or $230 million a year, apparently in 1987 dollars. No escalation factor for operations and maintenance costs is calculated.

Analysis

De Leuw, Cather and Company, in cooperation with Stanford Research Institute, indicate operating costs require escalation and that SCL estimates are too low by at least 27%. SRI has escalated operations and maintenance costs in each of its financing plans.

A. Alan Post indicates that more attention needs to be given to the long-term financing of the SCL system, particularly to fare increases, which are not contemplated in the SCL proposal. The SRI analysis also suggested fare escalation, which has been incorporated into the modified SCL 244-mile system.

Post also recommends that consideration be given to the problem of financing bus feeder operations--a problem not addressed in the SCL proposal.

It should be noted that the SCL proposal does not provide funding for a supporting bus system. It is estimated that in 1984 when the first segment of SCL is completed, a subsidy requirement of $150 million above existing State and Federal subsidy programs will be required should a 25¢ flat fare structure be maintained. It is apparent that another source of funding must be identified for bus operations if the current level of bus service is to be maintained; however, this bus subsidy problem will exist whether or not the SCL system is developed.

Physical Description

The SCL is a 281-mile system including 230 miles of mainline guideway and 51 miles of feeder guideway. The system proposes to use primarily freeways, flood control channels, railroad rights-of-way and some feeder arterials. The system will be built primarily on or above the surface of the ground with the mainline serving 43 cities.

There are 34.5 miles of mainline aerial guideway on railroad, flood channel and arterial rights-of-way. On freeways, there are 89.4 miles of aerial and 94 miles of at-grade guideway. Only 7.2 guideway miles are in subway. The SCL system calls for 89 stations on the mainline and 102 stations on the feeder system lines. Union Station is proposed as the hub of the system.

It is important to note, that a modified version of the SCL has been proposed, containing about 244 miles of fixed rail transit guideways, consisting of 222 miles of mainlines and 22 miles of feeder lines. Of the 222 miles of mainlines, approximately 19 miles are located in existing arterials, 17 miles along railroads and flood control channels, and 186 miles in freeway rights-of-way. However, under the most recent modified SCL proposal, if the Wilshire route is subway, 12 miles of the mainline elevated trackage along the Santa Monica Freeway between the San Diego Freeway and the River Bypass Line could be deferred, yielding a 232-mile system. If it is decided that the Wilshire route be constructed as elevated trackage, cost savings would also allow for the construction of the Santa Monica trackage,

yielding a 244-mile system. Also, under the modified system, 13 of the 15 identified fixed guideway feeder lines would be deferred until the mainline system has reached the final stages of development. The Burbank and South Bay feeders would be retained. In addition, three segments of the mainline network would be converted to light rail feeder or bus service. These include the segment from Reseda to the San Diego Freeway joining with the Valley/Long Beach Line, the Golden State to the Simi Freeway segment also joining with the Valley/Long Beach Line and the segment from the Long Beach freeway to the San Gabriel River Freeway contained with the Cross-County Line.

Analysis

The general consensus of the consultants is that the construction of the SCL along the freeway and other public rights-of-way is physically feasible, contingent upon the resolution of a number of engineering and design problems. Specifically, they feel that the guideway interchanges and transit guideway construction will create substantial engineering design problems, and construction of the freeway guideways will require a mixture of precast, cast-in-place and steel structure, rather than strictly using precast structures as proposed in the SCL.

Although the SCL proposal and the consultants agree that most of the proposed network can be built within freeway rights-of-way, without much freeway widening, the consultants feel location of aerial and at-grade guideways in freeway medians will require removal of some existing pavement to be replaced by the guideway structures, and will cause permanent degradation of shoulder space. But this lane taking will not necessarily be permanent and will occur in areas of low traffic density. Further, location of stations to lines constructed in freeway medians will create special passenger, automobile and bus access problems.

However, the consultants indicate that none of these problems are insurmountable, and they will require certain modifications which would not substantially impair operations. For example, alterations of the number and design of freeway interchanges, conversion of peripheral lines into feeder segments, better integration of transit service with the layout of Los Angeles Airport and building the stations off the freeways.

In his analysis, A. Alan Post, stated that the SCL proposal lacks adequate specific detail as regards such items as route alignment, station location, structure construction, and earthwork required. Post recommends that priorities be assigned and included in a detailed plan for design and staging of construction.

CALtrans feels that it would be technologically feasible to construct the transit system in all corridors analyzed. However, CALtrans suggests that while the use of elevated guideways is generally feasible for each corridor, an at-grade transit alternative in the freeway median requiring freeway widening is more appropriate and more economical.

The consultants and the City of Los Angeles generally agree that those segments of the mainline utilizing existing freeway rights-of-way generally do not directly serve existing or planned major centers of population as proposed in the SCL. The consultants point out, however, that it would be virtually impossible to build a system that would penetrate each major activity center.

Environmental Impact

The Sunset Coast Line proposal predicts no major environmental problems as a result of construction or system operation, and states that an overall reduction in energy needs, particularly gas consumption, may be achieved.

The impact due to construction is assumed to be minimum through the location of lines essentially along the freeways and other public rights-of-way. To minimize the potential impact of construction on freeways, various techniques for fast construction during non-peak hours on medians or shoulders of the freeway have been proposed and accounted for in the cost estimates. It assumes that negative visual impacts will be kept at a minimum, and that noise abatement procedures attained through the use of noise barriers, resilient wheels and other sound absorbing construction techniques would maintain the transit generated noise level at or below that found today as a result of normal automobile operation on the freeways. Major impacts in terms of land use would be encountered at stations; these would, however, be under the control of the cities.

Analysis

The proposal and the consultants agree that the SCL is generally a low-impact alternative along the freeways, but arterial lines and other rights-of-way may cause environmental problems. However, no consultant analysis was performed for the modified 244-mile system in terms of environmental or socio-economic impact.

A. Alan Post suggests that the major impacts of the systems will be on land use and mobility, and that each should be assessed in detail for all the proposed lines in the system. He states that the SCL may bring about some mobility improvements, but travel time on most journeys would probably be greater by transit, due to waiting time and trips to and from stations. Post indicates that studies of systems, the same size as the SCL, have historically resulted in a small decline in vehicle miles traveled, about 7%, and congestion on streets and freeways. These findings, however, do not substantially negate or contradict the SCL findings. Post also indicates that the SCL proposal lacks, and should include, a more comprehensive assessment of the benefits and environmental impacts of each proposed alignment. The SCL assumes this will be done prior to construction.

The consultants agree with the proposal in that freeway guideways will not produce additional noise impacts, because the freeways are already high-impact corridors. However, they feel that noise impact on flood controls and railroad rights-of-way will increase over present levels.

One of the major adverse impacts suggested by the consultants is the reduction of auto speeds to 30 mph by relocating existing freeway lanes. This will result in traffic slowdown and congestion, but the consultants do not state what the precise impact will be. Based on the experience of the Bay Area Rapid Transit System in San Francisco and other nationwide studies, Gruen Associates estimates that the SCL would not lead to an immediate positive impact on air quality and that the daily auto emission reduction would be about five percent.

The City of Los Angeles was critical of the SCL proposal because it did not specify environmental (noise, land use and energy) impacts, and were further critical in that they suggested that the system would encourage urban sprawl. The consultants indicate that SCL may encourage longer trips, due to high speeds and a flat 25 cent fare, but because the areas to be covered by the SCL have already been developed, the SCL will not necessarily lead to urban sprawl. Further development potentials would likely be spread over the entire network and would have no significant effects on major existing centers. A. Alan Post agrees that the SCL would not necessarily produce urban sprawl.

The consultants indicate that some growth may occur around the stations, but that the system would benefit the Los Angeles County area by possibly lessening our auto dependency and encouraging the implementation of balanced-land use policies.

The consultants agree that the SCL has the potential for lessening our dependency on autos and may allow use of energy resources other than oil. However, in consultant talks with utility companies, they feel that the SCL may need additional generating capacity, and the utility companies have expressed doubt over their ability to provide it. In general, the consultants do not agree that the SCL would result in a total area-wide energy savings.

The consultants feel that the proposed consideration of waste material power generation is feasible, but not without increasing the Total SCL cost.

Socio-Economic Impact

The Sunset Coast Line proposal suggests that the infusion of $500,000,000 per year into the local economy would as a result of construction; (a) create more than 35,000 new jobs annually; (b) over the construction period reduce unemployment in the construction industry from 17.9% to 9.7% and overall County unemployment from 10.2% to 8.4%; (c) return $316 million per year in tax revenues; and (d) produce $1.8 billion a year in capital growth.

Analysis

The consultants agree that during the 16-year construction period, a peak year may produce new job creation in a range of 25,000 to 30,000 per year. However, they feel a one-cent sales tax levied for any purpose would have a signficant impact on County employment and income. The consultants feel that it is a very complex task to determine the extent to which the expenditure of the sales tax revenues for the development of a new transportation system would create jobs entirely new to the County. In addition, certain new jobs may be created outside the County, specifically, those related to the manufacture of transit vehicles.

The buying habits of consumers in border communities inside and outside the County boundaries may change, causing a sale migration with respect to purchase of large items like automobiles. This diversion could occur within Orange, San Bernardino, and Ventura Counties, depending on family size, competing retail prices, and location of out-of-County retail centers along the borders of Los Angeles County.

In order to gain a completely accurate picture of this entire impact, the consultants feel it is necessary to do a comprehensive input-output analysis of the Los Angeles County economy; a major long-term undertaking.

Operational Aspects

The SCL consists of 230 miles of conventional rail transit. An additional fixed guideway feeder system consists of 15 separate segments and additional feeder service would be provided by RTD buses. The SCL proposal provides local, interurban, airporter and special purpose transit service. Local service is provided by 148 five-car trains operating at five minutes headway and making all stops. Interurban and airport service is provided at 30 minutes headway, making selected stops. The equipment would operate at a maximum speed of 85 m.p.h. on the mainline. This will provide an average to 50 to 60 miles per hour for stations approximately 2½ miles apart.

While the modified 244-mile SCL system would entail some variation in operations, no attempt was made by the consultants to assess these modifications. Of the SCL modifications, only two are likely to have any major impact: the change on the San Gabriel River Line and the Wilshire subway construction. The other modifications, excluding interchanges, affect mainly the timing of capital expenditures and construction.

The proposal estimates that the vehicle fleet would consist of 740 local cars, 200 interurban service cars, and 60 airporter vehicles with provision for 60 special vehicles.

Analysis

The SCL plan proposes the use of approximately 1,000 various types of cars and describes general specifications of each car. Consultants state that major suppliers indicate that at present in this country and overseas, substantial ability to produce and deliver the vehicles exists, and that two to three years should be given to design and testing of the cars.

However, A. Alan Post suggests that cost and operational benefits could accrue from using a standardized car design, instead of the variety of train types contained in the SCL proposal.

The consultants agree that a fleet of 800 to 1,000 cars could be required to operate the system, and that 100 million miles would be accumulated in one year's operation, and the system-wide average speed would be 51 miles per hour. However, they feel that a more detailed operational analysis taking into account operating and maintenance cost could produce a need for a larger fleet of cars which would operate more than 100 million miles annually.

The consultants feels that the SCL proposal was prepared without the benefit of adequate supporting patronage data. However, the consultants have inferred a daily patronage in the range of 1 to 1½ million passengers. The final daily patronage estimate used by the consultants was 900,000 trips per day, based on a 25 cents flat fare. The consultants feel that this is not a firm projection, but is a reasonable approximation.

The consultants have pointed out that an extensive bus feeder service would be required at all stations of the network, and that a large proportion of the regular trips made in the region will still require full area coverage of the operating bus system. SCL proposal and the consultants agree that the present SCRTD bus system, which is the largest in the country, will be needed to supplement and serve as an auxiliary service to the proposed rail system. Neither the SCL proposal nor the consultants address the cost of operating relationships of this bus system with the new proposed heavy rail system. This is a significant deficiency when consideration is given to the fact that the total daily patronage of the present bus system equals the projected daily patronage of the proposed SCL, and the total patronage by bus in the combined SCL-RTD bus system may equal or exceed the level of the present bus system.

The A. Alan Post analysis contends that if SCRTD is given the responsibility for operating the system, this arrangement would essentially require two separate operating budgets (SCRTD and SCL), and would preclude the management from making efficient trade-off between bus and rail service. He indicates that the SCL should address in more detail the subject of bus operating costs and deficits. He further suggests that the possible use of sales tax revenues for some of bus feeder service be considered.

Impact of the Sunset Coast Line on Los Angeles County Operations

A major role for Los Angeles County as construction manager is part of the modified 244 mile Sunset Coast Line proposal. The County's role in the development of the SCL project, if approved by the voters, would be to serve the SCRTD as construction manager.

This newly created Transit Development Department would be organized as an additional major engineering department employing several hundred professional, technical and support positions. To some extent, such a department might be staffed from existing County personnel. However, specific expertise in fixed guideway transit design and engineering would be required from outside the County. Financing for this department is included in the SCL proposal. Actual system design and construction would be handled through contract with private consultants and construction firms. (Design of freeway applications would probably be through contract with CALTrans.)

Supervisor Ward has suggested that the County organize a skeleton agency of approximately 12 positions including clerical and secretarial help, located temporarily within the Office of the Chief Administrative Officer. The department would be financed by an allocation from the Fifth District road funds earlier diverted to transit development under Proposition 5. If the transit issue is successful, this department could be prepared to develop the first series of contracts that would be required to initially begin preliminary engineering and design processes.

Subject to the authority of the RTD Board and district law, the County, through the department, would act on the RTD Board's behalf and with the RTD Board's approval in letting contracts for construction of facilities, acquisition of rights of way, purchasing of supplies and equipment, and other construction related activities. The County would also be responsible for preparing for the RTD Board, such materials, studies, documents and other information as may be necessary for the RTD Board to make policy decisions concerning design, engineering, construction and financial management.

In addition to the role proposed for Los Angeles County through the creation of the Transit Development Department, other significant impacts on County operations could be experienced. However, under the time constraints for developing this report it was not possible to analyze the magnitude of these impacts on County operations:

1. A construction project of this magnitude may limit the capacity of the construction labor market that would be available for other construction projects within the County. However, since the construction of the SCL comes at a time when all of the engineering/construction departments are facing the reduction of their future workload in their capital construction areas, the construction of the SCL under County auspices may enable the County to maintain and utilize their expertise which has been built up over the years.

2. If the modified SCL project ultimately includes substantial bonding, borrowing for this project would compete in the market with borrowings for schools, hospitals, flood control and other capital projects. (See attached memo from Treasurer-Tax Collector.)

3. The County is likely to become a high visibility public agency as a result of its position as developer of the region's first major transit improvement program and in its role as developer of one of the nation's largest transit system. The magnitude of the SCL proposal will require a significantly higher level of participation in municipal and community affairs.

Impact on the Regional Transportation System

The Sunset Coast Line will become the largest major transportation system in Southern California and will be one of the nation's largest transit systems. It will have a significant impact on existing transportation facilities, institutional arrangements and transportation policy in the L.A. metropolitan area.

All bus service planning, as well as any freeway, highway, or street and road construction will have to be integrated with the SCL system.

As operators of the largest bus system in this area, as well as the SCL fixed guideway system, the SCRTD will become the focus for most of the transportation planning and financing in the Los Angeles metropolitan region.

These two systems together will provide one total regional system and the question of their relationship must be addressed. Neither system can function adequately without the efficient operation and

coordination with the other. Although the consultants do not directly address this issue, they do feel that a thorough analysis of the relationships between the present RTD bus system and the proposed SCL must be accomplished before complete regional operation begins.

The RTD system meets a wide range of essential needs of a large portion of the County's population, and will continue to do so during the rapid rail transit development. It is clear that SCRTD will emerge as a substantial transportation authority, responsible for management and operation of one of the world's largest and most complex transit systems. Implementation of the SCL proposal should thus be accompanied by careful rethinking of institutional relationships, total transportation financing, and planning.